

SOFTWARE TERMS AND CONDITIONS

INPUT

ABOUT INPUT

INPUT provides planning information, analysis, and recommendations to managers and executives in the information processing industries. Through market research, technology forecasting, and competitive analysis, INPUT supports client management in making informed decisions. Continuing services are provided to users and vendors of computers, communications, and office products and services.

The company carries out continuous and in-depth research. Working closely with clients on important issues, INPUT's staff members analyze and interpret the research data, then develop recommendations and innovative ideas to meet clients'

needs. Clients receive reports, presentations, access to data on which analyses are based, and continuous consulting.

Many of INPUT's professional staff members have nearly 20 years' experience in their areas of specialization. Most have held senior management positions in operations, marketing, or planning. This expertise enables INPUT to supply practical solutions to complex business problems.

Formed in 1974, INPUT has become a leading international planning services firm. Clients include over 100 of the world's largest and most technically advanced companies.

OFFICES

Headquarters

P.O. Box 50630
Palo Alto, California 94303
(415) 493-1600
Telex 171407

Dallas

Campbell Center II
8150 N. Central Expressway
Dallas, Texas 75206
(214) 691-8565

New York

Park 80 Plaza West-I
Saddle Brook, New Jersey
(201) 368-9471

United Kingdom

INPUT, Ltd.
Airwork House (4th Floor)
35 Piccadilly
London, W. 1.
England
01-439-4442
Telex 269776

AFFILIATES

Australia

Infocom Australia
Highland Centre, 7-9 Merriwa St.,

Sweden

P.O. Persson Konsult AB
Box 221 14
Hantverkargatan 7
104 22 Stockholm
Sweden
08-52 07 20

Custom

AUTHOR

Software Terms and
Conditions.

Y-IBM
TC 3

INPUT

Planning Services for Management

SOFTWARE TERMS AND CONDITIONS

Prepared For:
INTERNATIONAL BUSINESS MACHINES CORPORATION

MAY 1982



Digitized by the Internet Archive
in 2014

SOFTWARE TERMS AND CONDITIONS

CONTENTS

	<u>Page</u>
I INTRODUCTION	I
II SURVEY FINDINGS	7
A. General Approach	7
B. License Types	7
1. Paid-Up Licenses And One-Time Charges	11
2. Purchase Credits	11
3. Discounts	20
4. Licensing Focus	20
5. Upgrades And Enhancements	20
6. Source Code Delivery	29
7. Redistribution	29
C. Installation	34
D. Maintenance	37
E. Education	50
F. Marketing	53
1. Approaches	53
2. Pricing	53
APPENDIX: QUESTIONNAIRE	59
INDEX	85

SOFTWARE TERMS AND CONDITIONS

EXHIBITS

		<u>Page</u>
I	-1 Companies Interviewed	3
	-2 Documentation Promised	5
II	-1 Products Profile	8
	-2 License Types (Summary)	12
	-3 License Types (Detail)	13
	-4 Paid-Up And One-Time Charge Conditions	16
	-5 Purchase Credits	18
	-6 Discounts And Financial Incentives	21
	-7 Licensing Focus (Summary)	23
	-8 Software Licensing Focus (Detail)	24
	-9 Software Upgrades/Enhancements (Summary)	26
	-10 Software Upgrades/Enhancements (Detail)	27
	-11 Source Code Delivery	30
	-12 Software Redistribution	32
	-13 Installation	35
	-14 Separate Maintenance Charges (Summary)	38
	-15 Maintenance Charge Approach By Method Of License Payment	39
	-16 Maintenance (1)	41
	-17 Methods Of Distributing Software Fixes To Customer	44
	-18 Application Of Software Fixes	45
	-19 Maintenance (2)	46
	-20 Maintenance (3)	48
	-21 Education	51
	-22 Marketing Approach	54
	-23 Software Pricing	56

I INTRODUCTION

I INTRODUCTION

- This report was prepared by INPUT as a custom study for the IBM Corporation, White Plains, New York.
- It is an update and extension of a similar custom study done by INPUT for IBM in December 1979.
- The objective of this study is to determine the current status of terms and conditions associated with the marketing of software products in the United States marketplace. The areas covered include:
 - Licensing.
 - Redistribution.
 - Installation.
 - Maintenance.
 - Education.
 - Marketing approaches.
 - Discounting.

- Companies to be interviewed were selected in consultation with IBM. Twenty-five companies were interviewed, divided as follows:
 - Mainframe companies (4).
 - Minicomputer companies (6).
 - Independent software companies (15).
 - The specific companies interviewed are listed in Exhibit I-1.
- Respondents were initially interviewed by telephone in February and March 1982. In several cases brief follow-up telephone interviews were conducted in April 1982. Interviewees were knowledgeable representatives of their firms; titles include:
 - Vice President/Director of Marketing (12).
 - Other marketing management (9).
 - Other (planning, public relations, general counsel) (4).
- IBM was not identified as the client for the study. Interviews were specifically directed at publicly available information. Respondents were requested at the beginning of the interview to specify if any of the information they were to give was proprietary.
 - Such information, if provided, would not have been included in this report. In several cases respondents would not discuss certain issues (e.g., pricing methodology) because of its proprietary nature.
- The questionnaire was developed jointly by INPUT and IBM, and approved by IBM. (A copy of the questionnaire is in the Appendix.)

EXHIBIT I-1

COMPANIES INTERVIEWED

- Mainframe Companies
 - Honeywell
 - Univac
 - Amdahl
 - Burroughs
- Minicomputer Companies
 - Perkin-Elmer
 - System Engineering Labs
 - Digital Equipment Corporation
 - Hewlett-Packard
 - Data General
 - Prime Computer
- Software Companies
 - Informatics
 - Computer Associates
 - SDC
 - Boole & Babbage
 - Cincom
 - Nixdorf
 - McCormack & Dodge
 - ADR
 - Mathematica
 - Software AG
 - MRI Systems
 - Pansophic
 - University Computer
 - MSA
 - Cullinane

- The questionnaire was a lengthy one, with 200 potential questions and approximately 1,600 answer possibilities. Consequently, it was not always possible to probe more deeply in some areas; e.g., for motivations in general or for reasons for exceptional practices.
- Documentation for price lists, product descriptions, license agreements, and discount schedules was requested, as shown in Exhibit I-2. Where received, it has been separately forwarded to IBM.
- The percentages of promises (over 50%) and deliveries (20%) is in line with experience in other studies.
- Information developed has been tabulated and arrayed or summarized at the direction of IBM, and forms the basis for the second chapter of this study. A presentation of the material contained therein was presented orally to IBM staff at White Plains on March 24, 1982, and constitutes the major portion of this final report.

DOCUMENTATION PROMISED

VENDOR	PRICE LISTS	PRODUCT DESCRIPTION	LICENSE AGREEMENTS	DISCOUNT SCHEDULES					
				GENERAL	UNBUNDLED	BUNDLED	END-USER	OEM	VOLUME
<u>MAINFRAMES:</u>									
Honeywell	N	N	N	N					
Univac	N	N	N	N					
Amdahl	N	N	N	N					
Burroughs	N	N	N	N					
<u>MINI COMPUTERS:</u>									
Perkin-Elmer	N	N	N	N					
System Engineering Labs	N	N	N	N					
DEC	N	N	N	N					
Hewlett-Packard	N	N	N	N					
Data General	N	N	N	N					
Prime	N	N	N	N					

*UNDERLINED = RECEIVED

(CONTINUED)

EXHIBIT 1-2 (Cont.)
DOCUMENTATION PROMISED

VENDOR	PRICE LISTS	PRODUCT DESCRIPTION	LICENSE AGREEMENTS	DISCOUNT SCHEDULES					VOLUME
				GENERAL	UNBUNDLED	BUNDLED	END USER	OEM	
Informatics	N	Y	N	N	N	N	N	N	N
Computer Associates	N	Y	Y	N	N	N	N	N	N
SDC	N	N	N	N	N	N	N	N	N
Boole & Babbage	N	Y	N	Y	Y	Y	Y	Y	Y
Cincom	Y	Y	Y	Y	Y	Y	Y	Y	Y
Nixdorf	N	N	N	N	N	N	N	N	N
McCormack & Dodge	Y	Y	Y	Y	Y	Y	Y	Y	Y
ADR	Y*	Y	Y	Y	Y	Y	Y	Y	Y
Mathematica	N	N	Y	Y	Y	Y	Y	Y	Y
Software AG	N	Y	Y	Y	N	N	N	N	N
MRI System	N	Y	N	N	N	N	N	N	N
Pansophic	N	N	N	N	N	N	N	N	N
University Computer	N	N	N	N	N	N	N	N	N
MSA	N	Y	Y	N	N	N	N	N	N
Cullinane	N	Y	N	N	N	N	N	N	N

*UNDERLINED = RECEIVED

II SURVEY FINDINGS

II SURVEY FINDINGS

A. GENERAL APPROACH

- There is still some bundling of software and hardware by hardware companies, although this is limited to system software and support, as shown in Exhibit II-1.
 - One-half of the mainframe companies and one-third of minicomputer firms interviewed still followed this approach.
- It is interesting to note that several software companies are now or will be offering a turnkey product.

B. LICENSE TYPES

- There is a wide variety of different types of licenses offered including:
 - Leases.
 - Rentals (with or without an initial fee).
 - Usage-based pricing.

EXHIBIT II-1

PRODUCTS PROFILE

	PRODUCTS OFFERED					TERMS & CONDITIONS		LICENSE	
	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
HARDWARE VENDOR									
<u>MAINFRAMES:</u>									
Honeywell	X	X	X	X	X	Y	-	Applications Support & Pkg.	Operating System & System Support
Univac	X	X	X	X	X	N	Application Separate From Hdw. System - Sold w/Hdw.	Applications	Operating System & System Support
Amdahl	-	X	X	-	-	N	All Sold Separate, But Some Bundled w/Hdw. For Support	X	-
Burroughs	X	X	X	X	X	Y	-	X	In Terminal Systems Only

PRODUCTS PROFILE

	PRODUCTS OFFERED						TERMS & CONDITIONS		LICENSE	
	HARDWARE VENDOR	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
MINI COMPUTERS: Perkin-Elmer System Engineering Labs DEC		-	X	-	-	-	Y	-	-	X
		-	X	X	X	-	Y	-	X	-
		X	X	X	X	X	Y	-	X	Only Operating Systems
		X	X	X	X	X	Y	-	X	-
		X	X	X	X	X	N	Three Basic Service Packages	X	-
Hewlett-Packard Data General Prime Computer		X	X	X	X	X	Y	-	X	Only Operating Systems

EXHIBIT II-1 (Cont.)

PRODUCTS PROFILE

SOFTWARE VENDOR	PRODUCTS OFFERED					TERMS & CONDITIONS		LICENSE	
	ALL	OPERATING SYSTEMS	SYSTEMS SUPPORT	APPLICATION SUPPORT	APPLICATION PACKAGES	ALL SAME?	DIFFERENCES	SOFTWARE SEPARATE	IN HARDWARE
Informatics	-	-	-	X	X	Y		X	Turnkey To Be More Important
Computer Associates	X	X	X	X	X	Y	May Change Appl.- Terms & Conditions	X	To Offer Turnkey
SDC	-	X	-	X	X	Y		X	Also Offer Turnkey
Boole & Babbage	-	-	X	-	X	Y		X	-
Cincom	-	-	X	-	X	Y		X	Also Offer Mini
Nixdorf	X	X	X	X	X	Y		X	-
McCormack & Dodge	-	-	-	-	X	Y		X	-
ADR	-	-	X	X	X	Y		X	-
Mathematica	-	-	-	X	-	Y		X	-
Software AG	-	-	X	-	-	Y		X	-
MRI Systems	X	X	X	X	X	Y		X	-
Pansophic	-	-	X	-	-	Y		X	-
University Computer	-	-	X	-	X	Y		X	-
MSA	-	-	-	-	X	Y		X	-
Cullinane	-	X	-	X	-	Y		X	-

- Paid up licenses.
- One-time charges.
- Exhibit II-2 summarizes the distribution of these types of offerings, contrasting hardware and software companies. (Details are in Exhibit II-3.)
 - In general, software companies have a greater choice of offerings.
- Software companies are much more likely to offer leases and usage pricing.

I. PAID-UP LICENSES AND ONE-TIME CHARGES

- One-time charges as a proportion of total company sales vary widely, as shown in Exhibit II-3.
 - In hardware companies it ranges from 5% to 80%.
 - In software companies it ranges from 40% to 90%.
- The conditions that vendors have on paid-up and one-time charge licenses almost always prevent customer resale, as shown in Exhibit II-4.
 - Vendors do not buy back code, although Computer Associates may in the near future.

2. PURCHASE CREDITS

- Software firms are somewhat more likely to give credits (53%) than hardware companies (40%), as shown in Exhibit II-5.
 - Maximum credit accruable is most often 50%.

EXHIBIT II-2

LICENSE TYPES (Summary)

TYPE	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
Leases	30%	60%
Rental	50	53
- Initial Fee	40	33
Usage	20	47
Paid-up	70	87
One-Time	70	100

LICENSE TYPES (DETAIL)

VENDOR	LEASE PERIOD (YEARS)	RENTAL					USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	IS IT RENTAL	INITIAL PAYMENT FOR UPGRADES							
<u>MAINFRAMES:</u>											
Honeywell	1-5	Both (Optional)	Y	Reduced Charge	Number Of Term.	Y	Y	Y	20%	N	
Univac	1-5	Month	N	-	Y - Rare	Only Appl.	Only Appl.	Only Appl.	5%	*	
Amdahl	N	Both (Optional)	Y	Optional	N	N	N	N	-	N	
Burroughs	Negotiable	Month	N	-	N	Y	Y	Y	60%	N	
<u>MINI COMPUTERS:</u>											
Perkin-Elmer	N	N	-	-	N	N	N	N	-	N	
System Engineering Labs	N	N	-	-	N	Y	Y	Y	-	N	
DEC	N	N	-	-	N	N	N	N	-	N	
Hewlett-Packard	N	N	-	-	N	Y	Y	Y	-	N	
Data General	N	Year	Y	Reduced Charge	N	Y	Y	N	-	N	
Prime	N	Month	Y	No Charge	N	Y	Y	Y	80%	N	

* Service Bureau License

EXHIBIT II-3 (Cont.)

LICENSE TYPES (DETAIL)

RENTAL										
VENDOR	LEASE PERIOD (YEARS)	PAYMENT TYPE (MO., YR.)	SIZE	INITIAL PAYMENT FOR UPGRADES	USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER	
Informatics	1-4	Month (Rare)	Y/N*	Depends on Option	Algo-rithm	Y	Y	80%	N	
Computer Associates	1-3	N	-	-	N	Y	Y	40%	N	
SDC	Negotiable	Month	N	-	Varies	Y	Y	50%	N	
Boole & Babbage	N	N	-	-	Processor Size	N	Y	-	N	
Cincom	1-5	Month	N	-	Number Of Term. (Test)	Y	N	-	N	
Nixdorf	1-5	Oper. Sys. , Month	Y	Pay Charge	N	Operating N	Operating N	-	N	
McCormack & Dodge	N	N	-	-	N	Other-Y	Other-Y	-	N	
ADR	3-5	Month	Y	Varies	Number Of Term.	Y	Y	60%	N	
Mathematica	N	Month	Y	No Charge	Processor Size	Y	Y	95%	N	
Software AG	1-5	Month	Y	Pay Charge	N	Y	Y	50%	N	

*Initial Fee Or Larger Payments

LICENSE TYPES (DETAIL)

VENDOR	LEASE PERIOD (YEARS)	RENTAL					PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	INITIAL FEE	INITIAL PAYMENT FOR UPGRADES	USAGE					
MRI Systems	2	N*	-	-	Proces. Size	Y	Y	90%	N	
Pansophic	1-4	N	-	-	N	Y	Y	90%	N	
University Computer	N	N	-	-	N	N	Y	-	N	
MSA	N	N	-	-	N	N	Y	-	N	
Cullinane	N	Month	N	No Charge	N	Y	Y	Don't Know	N	

* Financing arranged

EXHIBIT II-4

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
<u>MAINFRAMES:</u>					
Honeywell	Vendor	N	-	N	Percentage allowance (varies)
Univac	Vendor	N	-	N	Up to 50% allowance
Amdahl	Vendor	N	-	N	-
Burroughs	Vendor	N	-	N	Up to 50% allowance
<u>MINI COMPUTERS:</u>					
Perkin-Elmer	-	-	-	-	-
System Engineering Labs	OEMS - Customer; End-User - Vendor	OEMS Only	None	N	-
DEC	Vendor	N	-	N/A	-
Hewlett-Packard	Vendor	Y	No high-level Application pkgs.	N	Service Contract
Data General	Vendor	N	-	N	-
Prime	Vendor	N	-	N	No new function

EXHIBIT 11-4 (Cont.)

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
Informatics	Vendor	N	-	N	No new functions
Computer Associates	Vendor	N	-	N-May Soon	No new functions
SDC	Vendor	N	-	N	No new functions
Boole & Babbage	Vendor	N	-	N	No new functions
Cincom	-	-	-	-	No new functions
Nixdorf	Vendor	N	-	N	Up to 50% allowance
McCormack & Dodge	Vendor	N	-	N	None
ADR	Vendor	N	-	N	-
Mathematica	Vendor	N	-	N	-
Software AG	Vendor	N	-	N	Varies by customer and product
MRI Systems	Vendor	N	-	N	No new functions
Pansophic	Vendor	N	-	N	Rare
University Computer	Vendor	N	-	N	No new functions
MSA	Vendor	N	-	N	No new functions
Cullinane	Vendor	N	-	N	-

EXHIBIT II-5

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
<u>MAINFRAMES:</u>						
Honeywell	-	-	*	-	30%	-
Univac	-	X	-	-	-	-
Amdahl	X	-	-	-	-	-
Burroughs	-	-	**	Varies	Varies By Product	Varies
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	-	-	-
System Engineering Labs	X	-	-	-	-	-
DEC	X	-	-	-	-	-
Hewlett-Packard	-	X	-	-	-	-
Data General	-	-	X	Varies	-	-
Prime	-	-	X	Don't Know	Don't Know	Don't Know

* Depends ** If take newest upgrade.

YTC3 19

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
Informatics	-	-	X	Varies	50-75 %	48
Computer Associates	-	X	-	-	-	-
SDC	-	-	X	-	50	-
Boole & Babbage	X	-	-	-	-	-
Cincom	-	-	X	Varies	50	12 (6 soon)
Nixdorf	X	-	-	-	-	-
McCormack & Dodge	X	-	-	-	-	-
ADR	-	-	X	DK	DK	DK
Mathematica	-	-	X	-	-	-
Software AG	-	-	X	1st year 50% 2nd year 45% 5th year 40%	50	60
MRI Systems	-	-	X	-	50	-
Pansophic	-	X	-	-	-	-
University Computer	X	-	-	-	-	-
MSA	X	-	-	DK	-	-
Cullinane	-	-	X	-	DK	DK

3. DISCOUNTS

- Discounts are usually for volume and multisite, as shown in Exhibit II-6.
 - They are universal for software companies.
- Other forms of discount are rare.
- Discount arrangements vary.
 - A second user discount of 20% to 50% is common.
 - This was a sensitive item for several vendors, so the numbers may not be representative.

4. LICENSING FOCUS

- There were differences between hardware and software companies in the focus of their licenses, as shown in Exhibit II-7, and detailed in Exhibit II-8.
 - Hardware companies were more likely to license to a particular CPU serial number and were the only ones to license to a particular system type.
 - The most common form of licensing for software companies, i.e., to a particular site, was not reported by hardware companies at all.
- Enforcement of these licensing provisions was seen as either "no problem" or unenforceable.

5. UPGRADES AND ENHANCEMENTS

- Generally, hardware and software companies had similar profiles on how they treated upgrades and enhancements, as shown in Exhibits II-9 and II-10.

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
<u>MAINFRAMES:</u>						
Honeywell	Minis Only	Y	N	N	N	Varies with family and number of systems
Univac	N	N	N	N	-	-
Amdahl	Y	Y	N	N	Y	25% for each (or pay full cost and get support)
Burroughs	Y	Y	N	N	N	Matrix based on locations, number of products, and number of type of products
<u>MINI COMPUTERS:</u>						
Perkin Elmer	N	N	N	N	-	-
System Engineering Labs	Y	Y	N/A	N	Y	30% - 2nd; 40% - 3rd and 4th, 50% - 5th (OEMs). 30% - 2nd-5th, 40% - 6th (End Users)
DEC	Y	Y	N	N	-	5-20% (complex schedules)
Hewlett-Packard	Y	Y	N	N	-	4-38% (complex schedules)
Data General	Y	Y	Y	Y	-	20-50% for 2nd license-varies by product
Prime	Y	Y	N	N	Y	Won't discuss

EXHIBIT II-6 (Cont.)

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SITE	PRF-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY
Informatics	Y	Y	N	N	Negotiable	15% for first 7; then 25% off
Computer Associates	Y	Y	N	N	Y&N	20% for 2nd, 25% for 3rd, 4th and 5th
SDC	Y	Y	N	N	N	Won't discuss
Boole & Babbage	Y	Y	N	N	N	30% for each different product
Cincom	Y	Y	N	N	N	20% for 2nd; 35% for 3rd, 4th and 5th
Nixdorf	Y	Y	N	N	N	25% after 3rd
McCormack & Dodge	Y	Y	N	N	N	10% - Volume; 20% - Multi-site
ADR	Y	Y	Y	N	N	20% - 2nd-5th; 30% - 6th+
Mathematica	Y	Y	N	N	N	25% - 2nd, 35%-3rd and 4th, 45% - 5th
Software AG	Y	Y	Y	N	N	25% - 2nd, 3rd and 4th
MRI Systems	Y	Y	N	N	N	DK
Pansophic	Y	Y	N	N	Y&N	DK
University Computer	Y	Y	N	Products Coupled	N	Won't discuss
MSA	Y	Y	N	N	N	10% for each
Cullinane	Y	Y	N	N	N	25% for each, if purchased within a year

EXHIBIT II-7

LICENSING FOCUS

(Summary)

LICENSED TO	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
CPU Serial Number	60%	40%
System Type	20	0
User Site	0	60
User Firm	10	13

EXHIBIT II-8

SOFTWARE LICENSING FOCUS (DETAIL)

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
<u>MAINFRAMES:</u>						
Honeywell	X	-	-	-	-	Difficult, can't do.
Univac	-	X	-	-	-	No problem for us.
Amdahl	X	-	-	-	-	Usually no problem.
Burroughs	X	-	-	-	-	Can't do.
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	-	-	-
System Engineering Labs	-	-	-	X	-	Can't do.
DEC	X	-	-	-	-	Registration.
Hewlett-Packard	-	X	-	-	-	Difficult, usually don't try.
Data General	X	-	-	-	-	No problem.
Prime	X	-	-	-	-	Contracts.

SOFTWARE LICENSING FOCUS (DETAIL)

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
Informatics	X	-	X	-	-	Court; haven't had to do this yet.
Computer Associates	-	-	X	-	-	Haven't had to do.
SDC	X	-	X	-	-	No problem.
Boole & Babbage	X	-	-	-	-	No problem.
Cincom	X	-	-	-	-	Serial number (on 370) and good faith.
Nixdorf	X	-	-	-	-	Not done.
McCormack & Dodge	-	-	X	-	-	No problem.
ADR	-	-	X	-	-	No problem.
Mathematica	X	-	-	-	-	Product manipulation and contracts.
Software AG	-	-	Large Product	-	-	Contracts.
MRI Systems	-	-	X	-	-	No source code sent.
Pansophic	-	-	X	-	-	Can't enforce.
University Computer	-	-	-	X	-	Can't enforce.
MSA	-	-	-	X	-	No problem so far.
Cullinane	-	-	X	-	-	Professional propriety and integrity.

EXHIBIT II-9

SOFTWARE UPGRADES/ENHANCEMENTS
(Summary)

UPGRADE/ENHANCEMENT	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
No Charge	20%	0
Additional Charge	20	7%
In Maintenance Fee	60	87
New Product	20	20

SOFTWARE UPGRADES/ENHANCEMENTS (DETAIL)

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
<u>MAINFRAMES:</u>						
Honeywell	-	-	Operating Systems Only	All Others	-	-
Univac	Minor Only	-	-	Major Only	-	-
Amdahi	-	-	X	-	-	-
Burroughs	-	-	X	-	-	-
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	-	X	-
System Engineering Labs	-	X	-	-	-	*
DEC	Only Systems	-	X	-	-	-
Hewlett-Packard	-	X	-	-	-	-
Data General	-	-	X	-	-	-
Prime	-	-	X	-	-	-

* Software update subscription.

EXHIBIT II-10 (Cont.)

SOFTWARE UPGRADES/ENHANCEMENTS (DETAIL)

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
Informatics	-	-	X	-	-	-
Computer Associates	-	-	X	-	-	-
SDC	-	-	X	-	-	-
Boole & Babbage	-	-	X	-	-	-
Cincom	-	-	X	X	-	-
Nixdorf	-	-	-	X	-	-
McCormack & Dodge	-	-	X	-	-	-
ADR	-	-	X	-	-	-
Mathematica	-	-	X	X	-	-
Software AG	-	-	X	-	-	-
MRI Systems	-	X	-	-	-	-
Pansophic	-	-	X	-	-	-
University Computer	-	-	X	-	-	-
MSA	-	-	X	-	-	-
Cullinane	-	-	X	-	-	-

YTC3 29

- A few hardware companies deal with the issue by not planning any changes; no software company takes that position.
- The most common approach is to include upgrades and enhancements in the maintenance charge.

6. SOURCE CODE DELIVERY

- Hardware companies are more likely to deliver source code (60%) than software companies (about 30%), as shown in Exhibit II-11.
 - An extra fee is often charged by hardware companies.
 - Code delivered is usually in machine readable form.
- Most firms have some form of software protection.
 - Hardware firms usually copyright (70%).
 - Software firms both copyright (47%) and use trade secret protection (47%).
- Attitudes on enforcement vary widely.
 - Most see enforcement as difficult.

7. REDISTRIBUTION

- About half of hardware vendors engage in some form of software redistribution, as shown in Exhibit II-12.
 - About one-quarter of software vendors engage in redistribution as an OEM.

EXHIBIT II-11

SOURCE CODE DELIVERY

VENDOR	SOURCE CODE DELIVERY	DELIVERY MEANS		SOFTWARE PROTECTION			
		MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
<u>MAINFRAMES:</u>							
Honeywell	Normally	X	-	X	X	-	Court - Difficult.
Univac	Normally now (won't do soon)	X	-	X	-	-	Can't do.
Amdahl	Never	-	-	X	-	-	No problem.
Burroughs	Appl. Normally; Sys.-Need to know	X	-	X	-	-	Very difficult.
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	Never	-	-	-	-	None	-
System Engineering Labs	Extra Fee	X	-	-	-	None	-
DEC	Normally	X	X	X	-	-	Legal action if needed.
Hewlett-Packard	Extra Fee	X	-	X	-	-	Can't do.
Data General	Extra Fee	X	-	X	-	-	No problem.
Prime	Never	-	-	-	-	Prop.	Contracts.

SOURCE CODE DELIVERY

VENDOR	SOURCE CODE DELIVERY	DELIVERY MEANS		SOFTWARE PROTECTION			
		MACHINE READABLE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
Informatics	One product only	X	-	X	-	-	Court.
Computer Associates	Older products only	X	-	X	X	-	Contracts.
SDC	Never	-	-	-	X	-	Can't enforce.
Boole & Babbage	Need to know	X	-	-	X	-	Can't enforce.
Cincom	Applications only	X	-	X	-	-	Haven't done.
Nixdorf	Applications only	X	-	-	-	-	-
McCormack & Dodge	Normally	X	-	X	X	-	Contracts.
ADR	Need to know (rare)	X	X	X	X	-	No need.
Mathematica	Never	-	-	-	X	-	Contracts & product manipulation.
Software AG	Never	-	-	-	-	-	-
MRI Systems	Never	-	-	-	-	Pat. Pending	Don't send code.
Pansophic	Never	-	-	-	X	-	Can't enforce.
University Computer	Normally	X	-	X	-	-	Can't enforce.
MSA	Normally	X	-	X	-	-	Contracts.
Cullinane	Never	-	-	-	-	-	Legal action.

EXHIBIT 11-12

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTED	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END-USER LICENSE W/ HDW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
<u>MAINFRAMES:</u>							
Honeywell	Y	Varies	DK	DK	DK	N	Y - Cost, support, discounts
Univac	N	-	-	-	-	-	Y - Restrictions, usage price, discounts.
Amdahl	Y*	-	-	-	-	-	N
Burroughs	Y (rare)	N	Y	N/A	Never Occurs	Y	N
<u>MINICOMPUTERS:</u>							
Perkin-Elmer	N	-	-	-	-	-	N/A - No separate software.
System Engineering Labs	Y	35%-2 40%-3+4 50%-5	Y	Y	N	Y	Y - Discounts, Terms
DEC	Y	Y-DK%	N	N	N	N	DK
Hewlett-Packard	Y	Y	Y**	Y	N/A	Y	Y (Don't sell to large bureaus)
Data General	N	-	-	-	-	-	N - End user is licensee
Prime	Y	Y	Y	Y	N	N	N

* Allowed, but not done. ** Hardware or software.

SOFTWARE REDISTRIBUTION

VENDOR	SOFTWARE REDISTRIBUTOR	DISCOUNT TO SOFTWARE REDISTRIBUTOR	ADDED VALUE REQUIRED	NEW CODE FOR		END USER LICENSE W/ SFW VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS
				ORIGINAL VENDOR	ANOTHER VENDOR		
Informatics	N	-	-	-	-	-	Y - Algorithm price; same T&C
Computer Associates	N	-	-	-	-	-	N - But may change for applications.
SDC	Y	*	*	*	*	*	Y - Usage price, discounts
Boole & Babbage	N	-	-	-	-	-	N
Cincom	Y	Varies	DK	DK	N	Y	Y - Usage basis - individual basis.
Nixdorf	N	-	-	-	-	-	N - (85% of customers are vendors).
McCormack & Dodge	N	-	-	-	-	-	Y - Royalty basis
ADR	N	-	-	-	-	-	N
Mathematica	Y	Varies	Y	Y	N	Y	Y - Cost, T&C and others.
Software AG	Y	Yes	N	N	Y	Y	Y - Charge more.
MRI Systems	N	-	-	-	-	-	Don't sell to.
Pansophic	N	-	-	-	-	-	Y
University Computer	N	-	-	-	-	-	N
MSA	N	-	-	-	-	-	Y - Usage basis
Cullinane	N	-	-	-	-	-	Y - Pay reduced fee and billing - related royalties.

* Would not discuss.

- Usually a discount is involved.
- Added value is usually required by a hardware company.
 - The enhanced software must usually run on the hardware vendor's own hardware.
 - Only one software respondent reported enhancing a hardware vendor's software to run on another vendor's hardware.
- End-user licenses can be with either the hardware vendor or the redistributor.
 - Hardware vendors are divided on practice.
 - Three software respondents report licenses to themselves.
- A majority of vendors have different terms and conditions with services vendors; for example:
 - They do not sell to some or all services vendors.
 - Charges may differ or usage pricing/royalties may be used.
 - Different discount structures may be used.

C. INSTALLATION

- The installation terms vary; there is little discernible pattern, as shown in Exhibit II-13.
- An acceptance period is typical.

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTY REQUIRES INSTALLATION?	MODIFICATIONS		
					MAKE?	MAINTAIN?	EXTRA FEE
<u>MAINFRAMES:</u>							
Honeywell	Varies by customer and system	Beta sites	4	N	Y-Avoid	Y-Only vendor- sponsored	Y
Univac	Free	N	1	N	Appl. only- Avoid	Y	Y
Amdahl	Separate or with hardware	Y-30	1	N	Y-Avoid	Y	Y
Burroughs	Appl.: Fixed days: System: Per day or prop.	N	2	Varies by prod.	Y	Y	Y
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	Free	N	2-3	In sys. N/A	N	-	-
System Engineering Labs	Varies	Y-90	DK	N	Y-consult.	Y	Y
DEC	Free-"A" Lic. (Oper. Bundled)	N	1	N	N	Y	N
Hewlett-Packard	Separate change -Negot.	Y-90	1	N	Y	Y	Y
Data General	Free-3 days	NO	1-5	Y	Y-Avoid	Y	N
Prime	Free	System-Y App. - N	2	System-Y App. - N	Y	Y	Y

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	FREE COPIES OF DOCUMENTATION	WARRANTY REQUIRES INSTALLATION?	MODIFICATIONS		
					MAKE?	MAINTAIN?	EXTRA FEE
Informatics	Free	Varies Y-30	3-5	Depends (sale)	Y-RPQ	I Product	N
Computer Associates	Free	Y-30	2	N	N	-	-
SDC	Free	N	Varies	Depends (prod.)	Y-rare	Y	Varies
Boole & Babbage	User does	Y-30	2	N	Y-App. N-Op.	Y	Y
Cincom	Separate charge	Y-60	4	Y	Y-rare	Y	Y
Nixdorf	Oper.Sys.-free Other-separate	N	1	Y	Oper.-N	Y	Y
McCormack & Dodge	Free	N	2	N	N	-	-
ADR	Free	Y-30	1	Depends (prod.)	N	-	-
Mathematica	Customer does	N	5	N	N	-	-
Software AG	Free	Y-15	1	N	N	-	-
MRI Systems	Free	Y-30	1	Y	Y	Y	Y
Pansophic	Free	Varies	2-4	Y	N	Y	Varies
University Computer	Free	Appl.-365 Sys. Supp.-30	3-5	Depends (prod.)	N	-	-
MSA	Free	Y-90	3	N	N	-	-
Cullinane	Free	N	1	N	N	-	-

- Thirty days is the most common acceptance period.
- Software companies are somewhat more likely to have their warranty depend on the vendor providing installation (53%) than are hardware companies (40%).
- Fewer software vendors make modifications to software (33%) than hardware companies (80%).
- It is common in both groups to try to avoid making modifications. Modifications appear to be a marketing tool.
- Once made, modifications are then supported by the vendor.

D. MAINTENANCE

- Hardware companies are less likely to have separate maintenance charges where the software is leased or where usage pricing is used, as shown in Exhibit II-14. Otherwise, the profiles are similar.
- There is, however, considerable variation in the approaches used to set maintenance charges, as shown in Exhibit II-15.
- An annual fee of 10% to 12% of purchase price is common for most software vendors (67%), as shown in Exhibit II-16.
- The fee varies for other companies.
- Maintenance typically includes both fixes and enhancements for software companies (87%); this is less common for hardware companies (50%), as shown in Exhibit II-16.

EXHIBIT II-14

SEPARATE MAINTENANCE CHARGES (Summary)

TYPE OF SOFTWARE LICENSE	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
Lease	33%	90%
Continuous Payment	40	42
Usage Pricing	50	80
Paid-Up	86	100
One Time Charge	86	100

NOTE: (1) Percentages against companies which have that type of software license.
(2) If in fee, but optional, counted as separate.

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
<u>MAINFRAMES:</u>						
Honeywell	Sep.-Opt.	Sep.-Opt.	Sep.-Opt.	Sep.-Opt.	Sep.-Opt.	-
Univac	Appl. - in Fee; Sys.- W/Hdw.	Same	Same	Same	Same	-
Amdahl	In Hdw. Fee	-	-	-	-	-
Burroughs	In Fee- (Req.)	In Fee- (Req.)	-	12 Mo.- (Req.)	12 Mo.- (Req.)	-
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	In Hdw. Fee	-	-	-	-	-
System Engineering Labs	-	-	-	3 Mo.-Opt	3 Mo.-Opt.	-
DEC	-	-	-	-	3 Mo.-Opt.	-
Hewlett-Packard	-	-	-	Sep. Crg.	Sep. Crg.	2 Options
Data General	12 Mo.-Opt.	In Fee-Opt.	-	12 Mo.-Opt.	12 Mo.-Opt.	3 Options
Prime	-	Sep.-Opt.	-	Sep.-Opt.	Sep.-Opt.	-

Key: "12 Month" means included in software fee for first 12 months.

EXHIBIT II-15 (Cont.)

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
Informatics	12 Mo.-Opt.	In Fee-Opt.	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
Computer Associates	In Fee-Opt.	-	-	12 Mo.-Opt.	12 Mo.-Opt.	
SDC	12 Mo.-Opt.	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
Boole & Babbage	-	-	-	-	Opt.	
Cincom	Sep.-Req. Soon	In Fee-Req.	In Fee-Req.	Sep.	-	
Nixdorf	Oper.-In Fee Others- 6 Mo.	In Fee-Oper.Sys.	-	6 Mo.	6 Mo.	
McCormack & Dodge	-	-	-	6 Mo.	6 Mo.	
ADR	12 Mo.-Opt.	-	-	12 Mo.	12 Mo.	
Mathematica	-	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
Software AG	12 Mo.-Opt.	In Fee	-	12 Mo.-Opt.	12 Mo.-Opt.	
MRI Systems	Sep.-Opt.	-	Sep.-Opt.	Sep.-Opt.	Sep.-Opt.	
Pansophic	In Fee-Opt.	-	-	12 Mo.-Opt.	12 Mo.-Opt.	
University Computer	-	-	-	12 Mo.	12 Mo.-Opt.	
MSA	-	-	-	-	12 Mo.-Opt.	
Cullinane	12 Mo.-Req.	In Fee-Req.	-	12 Mo.-Req.	12 Mo.-Req.	

Key: "12 Month" means included in software fee for first 12 months.

MAINTENANCE (I)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANC.	OTHER			
<u>MAINFRAMES:</u>							
Honeywell	Varies By Product	X	-	-	Logical Extension	12 Mo.	N
Univac	None	-	-	-	Size-Offer 3 Levels/Year	N	N
Amdahl	Bundled - No Cost	X	X	-	Logical Extension & Hardware	N	N
Burroughs	10%	X	X	-	Functional Change	12 Mo.	N
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	Varies By Product	X	-	-	N/A-No Enhancements	Hdw. Contr.	Y
System Engineering Labs	10%	X	X	-	Size	12 Mo.	Y
DEC	Varies	-	-	-	DK	12 Mo.	N
Hewlett-Packard	Mo. Fee	-	-	-	-	1 Mo.	Y
Data General	-	X	X	-	-	12 Mo.	N
Prime	1%/Mo.	X	X	-	Size	1 Mo.	N

MAINTENANCE (I)

VENDOR	12-MONTH MAINTENANCE FEE	MAINTENANCE			WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM MAINTENANCE TERM	HARDWARE MAINTENANCE PREREQUISITE
		FIXES	ENHANC.	OTHER			
Informatics	10%+	X	X	-	Significant Shift In Tech.	12 Mo.	N (May soon)
Computer Associates	12%	X	X	-	Functional Change	12 Mo.	N/A
SDC	10%	X	X	-	Difficult To Say	12 Mo.	N
Boole & Babbage	15-20%	X	X	-	System-Specific or Logical Extension	12 Mo.	N/A
Cincom	11%	X	X	-	Size or Function	12 Mo.	N/A
Nixdorf	\$50/Hr.	X	-	-	No Enhancement Included	N/A T&M	N
McCormack & Dodge	15%	X	X	-	Separate Application	12 Mo.	N/A
ADR	12%	X	X	-	-	12 Mo.	-
Mathematica	Varies	X	X	-	New Application	12 Mo.	N
Software AG	10%	X	X	-	Logical Extension	12 Mo.	N/A
MRI Systems	Varies	X	X	-	Size	Y	N
Pansophic	12%	X	X	-	Size & Function	12 Mo.	N/A
University Computer	10-13%	X	X	-	Size	12 Mo.	N
MSA	11%	X	X	-	Functional Extension	12 Mo.	N
Cullinane	10%	X	X	-	Different Functionality	12 Mo.	N

- The point at which an enhancement becomes a new product can depend on:
 - . Size of product.
 - . Changes in functionality.
- The minimum maintenance term is usually 12 months for software companies (87%), as shown in Exhibit II-16.
 - This is only true for 50% of hardware companies.
- Hardware maintenance is sometimes a prerequisite for obtaining software maintenance for hardware companies (30%), as shown in Exhibit II-16.
- Most vendors use most methods of distributing software fixes to customers of software fixes, as shown in Exhibit II-17 and II-19.
- Software firms are more likely than hardware companies to have the customer apply the fix, as shown in Exhibit II-18 and II-19.
- Maintenance for back levels of a release varies from none to "forever," as shown in Exhibit II-19.
- There are few response time promises for making software fixes, as shown in Exhibit II-19.
- Trouble report turnaround varies, as shown in Exhibit II-19.
 - "Immediate" turnaround is the most common.
- Hardware companies are more likely to give a price discount for multilicense maintenance (40%) than software companies (13%), as shown in Exhibit II-20.

EXHIBIT II-17

METHODS OF DISTRIBUTING
SOFTWARE FIXES TO CUSTOMER
(percent)

TYPE OF NOTIFICATION	HARDWARE COMPANIES	SOFTWARE COMPANIES
On-Site	70%	80%
Telephone	70	93
Letter	50	47
Newsletter	70	47
Maintenance Release	70	87
All Users	90	93

EXHIBIT II-18

APPLICATION OF SOFTWARE FIXES
(percent)

FIXES APPLIED BY	HARDWARE COMPANIES	SOFTWARE COMPANIES
Vendor	50%	33%
Customer	60	87

EXHIBIT II-19

MAINTENANCE (2)

			SUPPORT AVAILABILITY						
			ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME							
<u>MAINFRAMES:</u>									
Honeywell	For 2 Releases	Varies	-	-	-	-	Y	Custom.	DK
Univac	For 2 Releases	No Time	Y	Y*	Y	Y	Y	Custom.	Immed.
Amdahl	Forever	No Cont.	Y	Y	Y	Y	Y	Custom.	DK
Burroughs	3 Months	Varies	Y	Y*	Y	Y	Y	Both (Varies)	Varies
<u>MINI COMPUTERS:</u>									
Perkin-Elmer	12 Months	Varies	N/A	N/A	N/A	N/A	N/A	N/A	N/A
System Engineering Labs	12 Months	No Cont.	-	Y	-	Y	Y	Vendor	15 Days (1-3 Mo. Guaran.)
DEC	DK	Depends On Contract	Y	Y	-	-	Y	Vendor	DK
Hewlett-Packard	-	-	Y	Y	Y	Y	Y	50/50 Cust./Ven.	30 Days
Data General	3 Months-Varies	DK	Y	-	-	Y	-	Custom.	DK-Varies
Prime	Forever Now, To Add Limit	No Cont.	Y	Y	Y	Y	Y	Custom.	Immed.-30 Days

* Usual

MAINTENANCE (2)

SUPPORT AVAILABILITY											
	VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	ON-SITE	TELEPHONE	LETTER	NEWS LETTER	MAINTENANCE RELEASE	ALL USERS	FIX APPLIED BY	TROUBLE REPORT TURNAROUND
	Informatics	5 Months	No Contract	Y	Y	Y	Y	Y	Y	Cust.	Immed.
	Computer Associates	18 Months	No Contract	Y	Y	Y	Y	Y	Y	Cust.	Varies
	SDC	Forever	No Contract	Y	Y	Y	Y	Y	Y	Cust.90%	DK
	Boole & Babbage	Forever	No Time	Y	Y	-	-	Y	Y	Cust.	Immed.
	Cincom	9 Months	No Contract	Y**	Y	-	-	Y	N	Cust.80%	Immed.
	Nixdorf	N/A (T&M)	No Time	Y*	-	-	-	-	Y	Vendor	DK
	McCormack & Dodge	12 Months	30 Days	Y	Y	-	-	-	-	Cust.	80%-Immed. 20%-14 Days
	ADR	Not Covered	-	-	Y	-	-	Y	Y	Cust.	-
	Mathematica	Forever	No Contract	-	Y	-	-	-	Y	Cust.	Immed.
	Software AG	180 Days	No Time	Y	Y	-	-	Y	Y	Cust.	Immed.
	MRI Systems	Contract Balance	No Contract	Y	Y	Y	Y	Y*	Y	Both	DK
	Pansophic	12 Months	No Time	Y	Y	-	-	Y	Y	Vendor	DK
	University Computer	Varies	No Contract	-	Y*	Y	Y	Y	Y	Cust.	DK
	MSA	12 Months	No Contract	Y	Y*	Y	Y	Y	Y	Cust.	DK
Cullinane	DK	No Contract	Y	Y	Y	Y	Y	Y	Cust.	1 Day	

* Usual ** Last Resort

EXHIBIT II-20

MAINTENANCE (3)

VENDOR	MULTI LICENSE MAINTENANCE		OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE		
<u>MAINFRAMES:</u>				
Honeywell	-	-	-	Varies By Systems & Customer
Univac	X	X	-	\$30-60/Hour - 3 Service Levels
Amdahl	-	X	-	\$100/Hour
Burroughs	-	X	-	\$500/Day
<u>MINI COMPUTERS:</u>				
Perkin-Elmer	N/A	N/A	-	Not Offered
System Engineering Labs	-	X	-	Not Offered
DEC	X	-	-	DK
Hewlett-Packard	X	-	-	Varies By Product
Data General	-	-	-	\$65/Hour & Volume Discount
Prime	X	-	-	\$50/Hour

YTC3 51

MAINTENANCE (3)

VENDOR	MULTI LICENSE MAINTENANCE		OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE		
Informatics	X	X	-	\$450/Day
Computer Associates	X	X	-	\$500/Day
SDC	-	X	-	\$500/Day
Boole & Babbage	-	X	-	Free-With Contract
Cincom	-	X	-	\$850/Day
Nixdorf	T&M	-	-	\$50/Hour
McCormack & Dodge	-	-	No Discount (separate)	\$800/Day
ADR	-	-	-	DK Rare
Mathematica	X	X	-	Not Offered
Software AG	-	X	-	\$600/Day
MRI Systems	-	X	-	\$32/Hour
Pansophic	-	X	-	Free (Contract)
University Computer	-	X	-	\$650/Day
MSA	-	-	No Discount (separate)	\$700/Day
Cullinane	-	X	-	DK

- Central maintenance arrangements are common among software companies (73%); less so among hardware companies (40%).
- On-site maintenance pricing ranges from about \$200/day to \$850/day, as shown in Exhibit II-20.
 - The majority are in the \$500 to \$800 range.

E. EDUCATION

- All types of education are common, as shown in Exhibit II-21; i.e.:
 - Vendor and user site.
 - Audiovisual.
 - Manuals.
 - Built into product.
- Hardware companies are more likely to charge a fee for education (50%) than software companies (20%).
- Companies provide discounts on education fees/credits.
 - Hardware companies: 30%.
 - Software companies: 20%.

EDUCATION

VENDOR	TYPES OF EDUCATION							CHARGES			
	VENDOR SITE	USER SITE	AUDIO-VISUAL	MANUALS	BUILT-IN	OTHER	FREE	CREDIT	FEE	DISCOUNTS	
<u>MAINFRAMES:</u>											
Honeywell	X	X	X	X	X	Newsletter, Centers	-	-	X	Y	
Univac	X	X	X	X	X	-	-	-	X	Z	
Amdahl	X	X	X	X	X	-	-	X	-	-	
Burroughs	X	X	X	X	X	-	-	-	X	-	
<u>MINI COMPUTERS:</u>											
Perkin-Elmer	X	X	X	X	X	-	X	-	-	-	
Systems Engineering Labs	-	-	-	-	-	-	-	-	X	-	
DEC	X	X	X	X	X	-	-	-	-	DK	
Hewlett-Packard	X	X	X	X	X	-	-	X	-	Y	
Data General	X	X	X	X	X	-	-	X	-	-	
Prime	X	-	X	X	X	-	-	-	X	Y	

EXHIBIT II-21 (Cont.)

EDUCATION

VENDOR	TYPES OF EDUCATION							CHARGES			
	VENDOR SITE	USER SITE	AUDIO-VISUAL	MANUALS	BUILT-IN	OTHER	FREE	CREDIT	FEE	DISCOUNTS	
Informatics	X	X	X	X	X				X	Y*	
Computer Associates		X	X	X	X					Y*	
SDC	X	X	X	X	X	3 Centers	X			Z	
Boole & Babbage	X	X	X	X	X	3 Centers	X			Z	
Cincom		X	X	X					X	Z	
Nixdorf	X									Z	
McCormack & Dodge	X			X	X		X			Z	
ADR		X	X	X				X		Z	
Mathematica	X	X	X	X	X		X			Z	
Software AG		X		X	X			X		Z	
MRI Systems	X			X	X				X	Z	
Pansophic		X					X			Z	
University Computer		X	X	X	X			X		Z	
MSA	X		X	X	X			X		Z	
Cullinane	X	X	X	X				X		Y	

F. MARKETING

I. APPROACHES

- Most companies utilize a variety of marketing approaches, as shown in Exhibit II-22; i.e.:
 - Advertising.
 - Telephone.
 - Personal sales calls.
 - Seminars.
- Hardware companies typically have their salesforce market both hardware and software.

2. PRICING

- Pricing is a sensitive subject for some companies, especially hardware companies.
- Cost pricing is used by one-third of respondents, and value pricing by half, as shown in Exhibit II-23.
 - No appreciable difference is seen between hardware and software company respondents.

MARKETING APPROACH

VENDOR	METHODS					OTHER	SALES FORCE MARKETS BOTH SOFTWARE AND OTHER PRODUCTS?
	ADVERTISING	TELEPHONE	PEOPLE	SEMINARS			
<u>MAINFRAMES:</u>							
Honeywell	X	X	X	X			Y - Hardware
Univac	X	X	X	X			Y - Hardware
Amdahl	X	X	X	X			Y - Hardware, Maintenance, Support
Burroughs	X	X	X	X			Y - Hardware
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	X	X	X	X			Y - Only Market Systems, Not Software Alone
System Engineering Labs	X	X	X	X		Product Bulletin	Y - Hardware & Systems
DEC	X	-	X	-			Y - Systems
Hewlett-Packard	X	X	X	-			Y - Hardware
Data General	X	X	X	-			Y - Varies
Prime	X	-	X	X			N

MARKETING APPROACH

VENDOR	METHODS					SALES FORCE MARKETS BOTH SOFTWARE AND OTHER PRODUCTS?
	ADVERTISING	TELEPHONE	PEOPLE	SEMINARS	OTHER	
Informatics	X	X	X	X	Mail	N
Computer Associates	X	X	X	X		N
SDC	X	X	X	X		Y - Some-Software Only; Others-Hardware & Software
Boole & Babbage	X	X	X	X		N
Cincom	X	X	X	X		N
Nixdorf	X	X	X	X		N
McCormack & Dodge	X	X	X	X		N
ADR	X		X	X	Mail	N
Mathematica	X		X	X		N
Software AG	X	X	X	X		N
MRI Systems	X		X			N
Pansophic	X	X	X	X		N
University Computer	X		X			N
MSA	X		X	X		N
Cullinane	X	X	X	X		N

EXHIBIT 11-23

SOFTWARE PRICING

VENDOR	COST-BASED	VALUE-BASED	GENERAL PROCESS
<u>MAINFRAMES:</u>			
Honeywell	Y	N	-
Univac	N	Y	-
Amdahl	-	-	Won't Discuss
Burroughs	For Small Products	Y	For Small Products - Mark-Up; For Most-Value Basis
<u>MINI COMPUTERS:</u>			
Perkin-Elmer	Y	Y	Won't Discuss
System Engineering Labs	Y	Y	-
DEC	-	-	-
Hewlett-Packard	-	Y	Varies
Data General	-	-	Won't Discuss
Prime	-	-	Won't Discuss

EXHIBIT II-23 (Cont.)

SOFTWARE PRICING

VENDOR	COST-BASED	VALUE-BASED	GENERAL PROCESS
Informatics	Low-End	Y	For Low-End: Cost; Others: Value Basis
Computer Associates	Y	N	Marking Up
SDC	-	-	Won't Discuss
Boole & Babbage	Y	Y	Look At Competition, Then On A Value Basis
Cincom	Y	N	Look At Competition, Cost Basis
Nixdorf	N	Y	Value Basis
McCormack & Dodge	N	Y	Aware Of Competition - Value Basis
ADR	Y	N	Marking Up
Mathematica	-	Y	Ad Hoc
Software AG	N	Y	Value Basis
MRI Systems	N	Y	Value Basis
Pansophic	-	-	-
University Computer	-	-	Won't Discuss
MSA	Some	Y	Value Basis, With Eye On Competition
Cullinane	DK	DK	DK

APPENDIX: QUESTIONNAIRE

SOFTWARE TERMS AND CONDITIONS STUDY

INPUT is studying changes and trends that are occurring in the terms and conditions associated with software products, both as they are marketed with hardware and as they are available separately. Most of the questions refer to public information, but if any of the information that we are requesting is proprietary to your company, please indicate that fact.

	ALL	OPER	SYST	APPL	APPL	NO/
	PROD	SYST	SUPP	SUPP	PKGE	NONE

(1) (COMPLETE PRIOR TO INTERVIEW)

Hardware Vendor ?

Software Only Vendor ?

(2) In which of the following areas do you offer software products ?

A. OPERATING SYSTEMS: including security, TSO-like interactive, communication or data access method, and job entry.

B. SYSTEMS SUPPORT: including systems mgmt. installation mgmt., network/distributed mgmt., and utilities.

C. APPLICATION SUPPORT: including DB/DC, query/report writers, and application development generators, compilers, assemblers, and sort/merge utilities.

D. APPLICATION PACKAGES.

(3) Are all your products marketed under the same terms and conditions ?

GO TO Q5

CONTINUE

TERMINATE

YES

NO

DON'T KNOW

(4) What are the major differences ?

(INTERVIEWER PROMPT)

FOR THE FOLLOWING QUESTIONS HAVE THE INTERVIEWEE INDICATE TO WHICH OF THE FOUR PRODUCT AREAS THE PARTICULAR REPOSE APPLIES.

.....
 .ALL .OPER.SYST.APPL.APPL.NO/
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(5) Are your software products offered for a
 separate license fee, included in the
 hardware price, or both methods ?

SEPARATE LICENSE	14.	15.	16.	17.	18.	19.
INCLUDED IN HARDWARE	20.	21.	22.	23.	24.	25.
_____
_____
_____

(INTERVIEWER PROMPT)

IF NO SOFTWARE IS OFFERED FOR A SEPARATE LICENSE FEE
 GO TO Q35

(6) Do you offer a LEASE type of license ?
 That is the customer makes regular pay-
 ments for a fixed period of time after
 which the license may renewed for a
 further fixed period of time.

CONTINUE	YES	26.	27.	28.	29.	30.	31.
GO TO Q8	NO	32.	33.	34.	35.	36.	37.
GO TO Q8	DON'T KNOW	38.	39.	40.	41.	42.	43.
_____	
_____	
_____	

(7) What LEASE periods are available ?

1 YEAR	44.	45.	46.	47.	48.	49.
2 YEARS	50.	51.	52.	53.	54.	55.
3 YEARS	56.	57.	58.	59.	60.	61.
4 YEARS	62.	63.	64.	65.	66.	67.
5 YEARS	68.	69.	70.	71.	72.	73.
OTHER	74.	75.	76.	77.	78.	79.

.....ALL .OPER.SYST.APPL.APPL.NO/
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

.....
 (8) Do you offer a RENTAL type of license ?
 That is the customer makes regular pay-
 ments as long as the software product
 is installed.

CONTINUE	YES	80.	81.	82.	83.	84.	85.
GO TO Q12	NO	86.	87.	88.	89.	90.	91.
GO TO Q12	DON'T KNOW	92.	93.	94.	95.	96.	97.

.....
 (9) Is it a MONTHLY or an ANNUAL
 payment for the RENTAL option ?

MONTHLY	98.	99.	100.	101.	102.	103.
ANNUAL	104.	105.	106.	107.	108.	109.
OTHER	110.	111.	112.	113.	114.	115.

.....
 (10) Is there an INITIAL LICENSE FEE
 in addition to the continuous
 payments ?

CONTINUE	YES	116.	117.	118.	119.	120.	121.
GO TO Q12	NO	122.	123.	124.	125.	126.	127.
GO TO Q12	DON'T KNOW	128.	129.	130.	131.	132.	133.

.....
 (11) If and when the user installs
 a significant new upgrade or
 enhancement which of the
 following apply ?

PAY INITIAL CHARGE AGAIN	134.	135.	136.	137.	138.	139.
PAY REDUCED INITIAL CHARGE	140.	141.	142.	143.	144.	145.
PAY NO INITIAL CHARGE	146.	147.	148.	149.	150.	151.

.....
 .ALL .OPER.SYST.APPL.APPL.NO/
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(12) Do you offer a USAGE PRICING type of license ? That is the price varies with some measure of the customer's use of the product.

CONTINUE	YES	152.	153.	154.	155.	156.	157.
GO TO Q14	NO	158.	159.	160.	161.	162.	163.
GO TO Q14	DON'T KNOW	164.	165.	166.	167.	168.	169.

.....
 (13) How do you USAGE PRICE ?

Based on	TYPE OF OPERATING SYSTEM	170.	171.	172.	173.	174.	175.
	NUMBER OF TERMINALS	176.	177.	178.	179.	180.	181.
	NUMBER OF TRANSACTIONS	182.	183.	184.	185.	186.	187.
	SIZE OF PROCESSOR	188.	189.	190.	191.	192.	193.
	OTHER (Please explain)	194.	195.	196.	197.	198.	199.

.....
 (14) Do you offer a PAID UP type of license ? That is the customer makes regular payments for a fixed time period after which he has a perpetual license.

YES	200.	201.	202.	203.	204.	205.
NO	206.	207.	208.	209.	210.	211.
DON'T KNOW	212.	213.	214.	215.	216.	217.

.....
 (15) Do you offer a ONE TIME CHARGE type of license ? That is the customer makes a single payment for the license.

YES	218.	219.	220.	221.	222.	223.
(Go to question 23) NO	224.	225.	226.	227.	228.	229.
DON'T KNOW	230.	231.	232.	233.	234.	235.

.....ALL .OPER.SYST.APPL.APPL.NO/
.....PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....

LICENSING

.....(INTERVIEWER PROMPT)

.....If the response to either (14) or (15) is YES
.....ask questions (16) (17) (18) (19) (20) and (21)
.....

.....(16) Who retains the rights to the
.....code once the customer pays
.....his full charge ?
.....

VENDOR	236.	237.	238.	239.	240.	241.
CUSTOMER	242.	243.	244.	245.	246.	247.

.....(17) Once the customer has paid
.....the full amount for the code
.....and he no longer wishes to
.....use it, can he resell to
.....another user, thereby making
.....a "used market" for software ?
.....

YES	248.	249.	250.	251.	252.	253.
NO	254.	255.	256.	257.	258.	259.
DON'T KNOW	260.	261.	262.	263.	264.	265.

.....(18) What restrictions are placed
.....on the resale ?
.....

.....(19) Will you buy back the code
.....yourself ?
.....

CONTINUE	YES	266.	267.	268.	269.	270.	271.
GO TO Q21	NO	272.	273.	274.	275.	276.	277.
GO TO Q21	DON'T KNOW	278.	279.	280.	281.	282.	283.

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(20) At what percentage of
 the original price will
 you buy back the code ?

Enter Percentage

DON'T KNOW

(21) What incentives exist to get
 this customer to upgrade to
 a new version ? For example
 do you offer a credit against
 the purchase price ?

CREDIT
 Enter Percentage

OTHER
 NO NEW FUNCTION AVAILABLE

(22) Do you offer any OTHER type of license ?

YES
 NO
 DON'T KNOW

(23) When both lease/rental and a one time
 charge are offered, about what percent
 of your sales are one time charge ?

Enter Percentage

DON'T KNOW

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

.....
 (24) Where there is a purchase or one time charge option and a lease/rental option is there an accrual of purchase credits?.....

CONTINUE	YES	344.	345.	346.	347.	348.	349.
GO TO Q26	NO	350.	351.	352.	353.	354.	355.
GO TO Q26	DON'T KNOW	356.	357.	358.	359.	360.	361.

.....

.....
 (25) What are the details of the method of accrual ?.....

PERCENTAGE OF PAYMENTS	362.	363.	364.	365.	366.	367.
Enter Percentage	.....	.....	.....	.....	.....	.....

MAXIMUM % ACCRUABLE	368.	369.	370.	371.	372.	373.
Enter Percentage	.....	.....	.....	.....	.....	.....

MAXIMUM ACCRUAL MONTHS	374.	375.	376.	377.	378.	379.
Enter Percentage	.....	.....	.....	.....	.....	.....

.....

.....
 (26) Do you offer any discounts or other financial incentives ?.....

CONTINUE	YES	380.	381.	382.	383.	384.	385.
GO TO Q33	NO	386.	387.	388.	389.	390.	391.
GO TO Q33	DON'T KNOW	392.	393.	394.	395.	396.	397.

.....

.....
 (27) Do you offer volume discounts ?.....

YES	398.	399.	400.	401.	402.	403.
NO	404.	405.	406.	407.	408.	409.
DON'T KNOW	410.	411.	412.	413.	414.	415.

.....
 What is the discount schedule ?

.....ALL .OPER.SYST.APPL.APPL.NO/
PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

.....
 (28) Do you offer multiple sites
 discounts ?

YES

NO

DON'T KNOW

What is the discount schedule ?

.....
 (29) Do you offer multiple systems
 discounts ?

YES

NO

DON'T KNOW

What is the discount schedule ?

.....
 (30) Do you offer prepayment discounts?

YES

NO

DON'T KNOW

What is the discount schedule ?

.....
 (31) Do you offer any other form of
 discount ?

YES

NO

DON'T KNOW

.....ALL .OPER.SYST.APPL.APPL.NO/
PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(32) When multiple licenses are to be
 installed with a discount is the
 user required to copy the media ?

CONTINUE	YES	488.	489.	490.	491.	492.	493.
GO TO Q	NO	494.	495.	496.	497.	498.	499.
GO TO Q	DON'T KNOW	500.	501.	502.	503.	504.	505.

(33) To whom is the software licensed ?

CPU SERIAL #	506.	507.	508.	509.	510.	511.
SYSTEM TYPE (any CPU of same type)	512.	513.	514.	515.	516.	517.
USER SITE	518.	519.	520.	521.	522.	523.
USER FIRM	524.	525.	526.	527.	528.	529.
OTHER	530.	531.	532.	533.	534.	535.

(34) How do you enforce licensing
 restrictions ?

(35) After a customer is using a product how do
 you get new upgrades or enhancements to
 that user ? (READ LIST)

NO CHARGE ENHANCEMENTS	536.	537.	538.	539.	540.	541.
CHARGED FOR ENHANCEMENTS	542.	543.	544.	545.	546.	547.
IN MAINTENANCE	548.	549.	550.	551.	552.	553.
TREATED AS A NEW PRODUCT	554.	555.	556.	557.	558.	559.
OR VERSION WITH A NEW CHARGE						
OTHER	560.	561.	562.	563.	564.	565.
NO NEW FUNCTION PLANNED	566.	567.	568.	569.	570.	571.

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(36) Under what circumstances do you deliver
 source code ? (READ LIST)

GO TO Q38 NEVER	572.	573.	574.	575.	576.	577.
ON A NEED TO KNOW BASIS	578.	579.	580.	581.	582.	583.
FOR AN EXTRA FEE	584.	585.	586.	587.	588.	589.
NORMALLY	590.	591.	592.	593.	594.	595.

(37) If source is delivered, in what form?
 (READ LIST)

MACHINE READABLE	596.	597.	598.	599.	600.	601.
MICROFICHE	602.	603.	604.	605.	606.	607.
PAPER	608.	609.	610.	611.	612.	613.
OTHER	614.	615.	616.	617.	618.	619.
	620.	621.	622.	623.	624.	625.

(38) Is your software protected such as by
 copyright or trade secret ?

COPYRIGHT	626.	627.	628.	629.	630.	631.
TRADE SECRET	632.	633.	634.	635.	636.	637.
OTHER	638.	639.	640.	641.	642.	643.
GO TO Q40 NONE	644.	645.	646.	647.	648.	649.

(39) How do you enforce this copyright,
 trade secret, or other protection ?

(40) How many copies of related software
 documentation are provided free with the
 software ?

FREE DOCUMENTATION	650.	651.	652.	653.	654.	655.
Enter Number of Copies						

REDISTRIBUTION

.....
(41) Is there any difference in price and terms
and conditions for software as you apply
them to service vendors (remote computing
service and/or batch service) versus an
end user ?
.....

YES . 656. 657. 658. 659. 660. 661.
GO TO Q43 NO . 662. 663. 664. 665. 666. 667.
GO TO Q43 DON'T KNOW . 668. 669. 670. 671. 672. 673.
.....
_____.
_____.
_____.
.....

.....
(42) Please explain the differences ?
_____.
_____.
_____.
.....

.....
FOR HARDWARE VENDORS ASK QUESTIONS 43 THROUGH 48
FOR SOFTWARE ONLY VENDORS ASK QUESTIONS 49 THROUGH 54
.....

(HARDWARE VENDORS)

(43) Do you allow software vendors, OEMs, or
turnkey vendors to redistribute your
software ?
.....

YES . 674. 675. 676. 677. 678. 679.
GO TO Q55 NO . 680. 681. 682. 683. 684. 685.
GO TO Q55 DON'T KNOW . 686. 687. 688. 689. 690. 691.
.....
_____.
_____.
_____.
.....

.....
(HARDWARE VENDORS)

(44) Do you allow a discount to the
software redistributor ?
.....

DISCOUNT . 692. 693. 694. 695. 696. 697.
Enter percentage
_____.
_____.
_____.
.....

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

.....
 (HARDWARE VENDORS)

(45) Must the software redistributor enhance or add value to your software?	.	.	.	.	.	.	.
YES	.	698.	699.	700.	701.	702.	703.
NO	.	704.	705.	706.	707.	708.	709.
DON'T KNOW	.	710.	711.	712.	713.	714.	715.
_____
_____
_____

.....
 (HARDWARE VENDORS)

(46) Must any new code added by the redistributor run on your hardware ?	.	.	.	.	.	.	.
YES	.	716.	717.	718.	719.	720.	721.
NO	.	722.	723.	724.	725.	726.	727.
DON'T KNOW	.	728.	729.	730.	731.	732.	733.
_____
_____
_____

.....
 (HARDWARE VENDORS)

(47) Is the redistributor allowed to enhance your software to run on another vendor's hardware ?	.	.	.	.	.	.	.
YES	.	734.	735.	736.	737.	738.	739.
NO	.	740.	741.	742.	743.	744.	745.
DON'T KNOW	.	746.	747.	748.	749.	750.	751.
_____
_____
_____

.....
 (HARDWARE VENDORS)

(48) Is the license for the redistributed software between you and the end user?	.	.	.	.	.	.	.
YES	.	752.	753.	754.	755.	756.	757.
NO	.	758.	759.	760.	761.	762.	763.
DON'T KNOW	.	764.	765.	766.	767.	768.	769.
_____
_____
_____

.....
 (INTERVIEWER PROMPT - GO TO 55)

.....ALL .OPER.SYST.APPL.APPL.NO/
PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

.....(SOFTWARE ONLY VENDORS)

(49) Do you redistribute software from
 hardware vendor ?

	YES	770.	771.	772.	773.	774.	775.
GO TO Q55	NO	776.	777.	778.	779.	780.	781.
GO TO Q55	DON'T KNOW	782.	783.	784.	785.	786.	787.

.....(SOFTWARE ONLY VENDORS)

(50) Do you receive a discount on the
 software that you redistribute ?

	DISCOUNT	788.	789.	790.	791.	792.	793.
	Enter percentage						

.....(SOFTWARE ONLY VENDORS)

(51) In order to redistribute are you
 required to enhance or add value
 to the software ?

	YES	794.	795.	796.	797.	798.	799.
	NO	800.	801.	802.	803.	804.	805.
	DON'T KNOW	806.	807.	808.	809.	810.	811.

.....(SOFTWARE ONLY VENDORS)

(52) Must the new enhanced code run on
 the vendor's hardware ?

	YES	812.	813.	814.	815.	816.	817.
	NO	818.	819.	820.	821.	822.	823.
	DON'T KNOW	824.	825.	826.	827.	828.	829.

REDISTRIBUTION

.
.
.
.
.	848.	849.	850.	851.	852.	853.
.	854.	855.	856.	857.	858.	859.
.

.....
 .ALL .OPER.SYST.APPL.APPL.NO/
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

INSTALLATION

.....
 (57) Please explain any variations by
 product.

.....
 (58) Is there an acceptance or test period ?

	YES	884.	885.	886.	887.	888.	889.
GO TO Q60	NO	890.	891.	892.	893.	894.	895.
GO TO Q60	DON'T KNOW	896.	897.	898.	899.	900.	901.

.....

.....
 (59) How long is the acceptance period in
 days ?

DAYS	902.	903.	904.	905.	906.	907.
Enter number						

.....

.....
 (60) If you warrant the product do require that
 you install the software ?

YES	908.	909.	910.	911.	912.	913.
NO	914.	915.	916.	917.	918.	919.
DON'T KNOW	920.	921.	922.	923.	924.	925.

.....

.....
 (61) As a rule do you make modifications to
 your product to meet unique user needs ?

	YES	926.	927.	928.	929.	930.	931.
GO TO Q64	NO	932.	933.	934.	935.	936.	937.
GO TO Q64	DON'T KNOW	938.	939.	940.	941.	942.	943.

.....

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

INSTALLATION

(62) Do you maintain these user unique
 modifications to your product ?

YES	. 944.	. 945.	. 946.	. 947.	. 948.	. 949.
NO	. 950.	. 951.	. 952.	. 953.	. 954.	. 955.
DON'T KNOW	. 956.	. 957.	. 958.	. 959.	. 960.	. 961.

(63) Are these modifications charged for
 with an extra fee ?

YES	. 962.	. 963.	. 964.	. 965.	. 966.	. 967.
NO	. 968.	. 969.	. 970.	. 971.	. 972.	. 973.
DON'T KNOW	. 974.	. 975.	. 976.	. 977.	. 978.	. 979.

MAINTENANCE

WE NOW WANT TO DISCUSS HOW SOFTWARE MAINTENANCE
 IS CHARGED FOR EACH METHOD OF LICENSE PAYMENT

(64) Maintenance charge for LEASE agreement ?

IN LICENSE FEE	. 980.	. 981.	. 982.	. 983.	. 984.	. 985.
IN LICENSE FEE 1st 12 MONTHS	. 986.	. 987.	. 988.	. 989.	. 990.	. 991.
SEPARATELY CHARGED FOR	. 992.	. 993.	. 994.	. 995.	. 996.	. 997.
and is the maintenance contract						
REQUIRED	. 998.	. 999.	. 1000.	. 1001.	. 1002.	. 1003.
OPTIONAL	. 1004.	. 1005.	. 1006.	. 1007.	. 1008.	. 1009.

.....ALL .OPER.SYST.APPL.APPL.NO/
PROD.SYST.SUPP.SUPP.PKGE.NONE

MAINTENANCE

(65) Maintenance for CONTINUOUS PAYMENT ?

IN LICENSE FEE	.1010.1011.1012.1013.1014.1015.
IN LICENSE FEE 1st 12 MONTHS	.1016.1017.1018.1019.1020.1021.
SEPARATELY CHARGED FOR	.1022.1023.1024.1025.1026.1027.
and is the maintenance contract	
REQUIRED	.1028.1029.1030.1031.1032.1033.
OPTIONAL	.1034.1035.1036.1037.1038.1039.

(66) Maintenance for USAGE PRICING ?

IN LICENSE FEE	.1040.1041.1042.1043.1044.1045.
IN LICENSE FEE 1st 12 MONTHS	.1046.1047.1048.1049.1050.1051.
SEPARATELY CHARGED FOR	.1052.1053.1054.1055.1056.1057.
and is the maintenance contract	
REQUIRED	.1058.1059.1060.1061.1062.1063.
OPTIONAL	.1064.1065.1066.1067.1068.1069.

(67) Maintenance for PAID UP license ?

IN LICENSE FEE	.1070.1071.1072.1073.1074.1075.
IN LICENSE FEE 1st 12 MONTHS	.1076.1077.1078.1079.1080.1081.
SEPARATELY CHARGED FOR	.1082.1083.1084.1085.1086.1087.
and is the maintenance contract	
REQUIRED	.1088.1089.1090.1091.1092.1093.
OPTIONAL	.1094.1095.1096.1097.1098.1099.

(68) Maintenance for One Time Charge/Purchase ?

IN LICENSE FEE	.1100.1101.1102.1103.1104.1105.
IN LICENSE FEE 1st 12 MONTHS	.1106.1107.1108.1109.1110.1111.
SEPARATELY CHARGED FOR	.1112.1113.1114.1115.1116.1117.
and is the maintenance contract	
REQUIRED	.1118.1119.1120.1121.1122.1123.
OPTIONAL	.1124.1125.1126.1127.1128.1129.

.....ALL .OPER.SYST.APPL.APPL.NO/ .
.....PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....

MAINTENANCE

(69) Maintenance for OTHER ?

IN LICENSE FEE	.1130.	.1131.	.1132.	.1133.	.1134.	.1135.
IN LICENSE FEE 1st 12 MONTHS	.1136.	.1137.	.1138.	.1139.	.1140.	.1141.
SEPARATELY CHARGED FOR	.1142.	.1143.	.1144.	.1145.	.1146.	.1147.
and is the maintenance contract	.	.	.	.	.	.
REQUIRED	.1148.	.1149.	.1150.	.1151.	.1152.	.1153.
OPTIONAL	.1154.	.1155.	.1156.	.1157.	.1158.	.1159.

(70) When a customer has aquired software by
a payment method such as ONE TIME CHARGE
or PAID UP license which does not include
maintenance beyond the first year, and you
offer a separate maintenance agreement,
what is the cost of a 12 month maintenance
agreement.

COST	.1160.	.1161.	.1162.	.1163.	.1164.	.1165.
Enter \$ amount	.	.	.	.	.	.

(71) For such a customer, what does maintenance
include ?

FIXES TO KNOW PROBLEMS	.1166.	.1167.	.1168.	.1169.	.1170.	.1171.
FUNCTIONAL ENHANCEMENTS	.1172.	.1173.	.1174.	.1175.	.1176.	.1177.
OTHER	.1178.	.1179.	.1180.	.1181.	.1182.	.1183.

(72) What differentiates an enhancement
included in the maintenance for a
ONE TIME CHARGE/PAID UP customer from
a new product or version which has a
new price ? For example SIZE, LINES
OF CODE etc.

.....
 .ALL .OPER.SYST.APPL.APPL.NO/
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

.....
 (73) Is there a minimum term for maintenance ?

YES	.1184.1185.1186.1187.1188.1189.
NO	.1190.1191.1192.1193.1194.1195.
DON'T KNOW	.1196.1197.1198.1199.1200.1201.

.....
 (74) If applicable, is a hardware maintenance contract a prerequisite for a software maintenance contract ?

YES	.1202.1203.1204.1205.1206.1207.
NO	.1208.1209.1210.1211.1212.1213.
DON'T KNOW	.1214.1215.1216.1217.1218.1219.

.....
 (75) How long may a user be covered by a maintenance contract after a new release or version is available if he does not upgrade ?

NOT COVERED	.1220.1221.1222.1223.1224.1225.
12 MONTHS	.1226.1227.1228.1229.1230.1231.
24 MONTHS	.1232.1233.1234.1235.1236.1237.
OTHER	.1238.1239.1240.1241.1242.1243.

.....
 (76) If an on-site maintenance contract is offered, what are contractual response times ?

NOT OFFERED	.1244.1245.1246.1247.1248.1249.
HOURS	.1250.1251.1252.1253.1254.1255.
Enter number	_____

DAYS	.1256.1257.1258.1259.1260.1261.
Enter number	_____

.....ALL .OPER.SYST.APPL.APPL.NO/ .
 .PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

.....
 (77) When a user sends in a trouble report, in
 what form does he get a fix returned ?
 (Not exclusive)

ON SITE AID	.1262.1263.1264.1265.1266.1267.
TELEPHONE	.1268.1269.1270.1271.1272.1273.
LETTER	.1274.1275.1276.1277.1278.1279.
NEWSLETTER	.1280.1281.1282.1283.1284.1285.
NEXT REGULAR MTNCE RELEASE	.1286.1287.1288.1289.1290.1291.
OTHER	.1292.1293.1294.1295.1296.1297.

.....

.....
 (78) Do all users get the problem fix ?

YES	.1298.1299.1300.1301.1302.1303.
NO	.1304.1305.1306.1307.1308.1309.
DON'T KNOW	.1310.1311.1312.1313.1314.1315.

.....

.....
 (79) Who applies the fix ?

VENDOR	.1316.1317.1318.1319.1320.1321.
CUSTOMER	.1322.1323.1324.1325.1326.1327.

.....

.....
 (80) What is the average trouble report turn
 round time from the user's point of view
 in days ?

DAYS	.1328.1329.1330.1331.1332.1333.
Enter number	.....

.....

MAINTENANCE

NOT APPLICABLE

.1334 .1335 .1336 .1337 .1338 .1339
 .1340 .1341 .1342 .1343 .1344 .1345
 .
 .
 .
 .
 .1346 .1347 .1348 .1349 .1350 .1351

NOT OFFERED .
PRICE
Enter \$ per hour

.1352.1353.1354.1355.1356.1357.
.1358.1359.1360.1361.1362.1363.

NOT OFFERED
CLASSROOM VENDOR'S SITE
CLASSROOM USER'S SITE
AUDIO VISUAL MEDIA
INSTRUCTION MANUALS
BUILT INTO PRODUCT
OTHER

.1364.1365.1366.1367.1368.1369.
.1370.1371.1372.1373.1374.1375.
.1376.1377.1378.1379.1380.1381.
.1382.1383.1384.1385.1386.1387.
.1388.1389.1390.1391.1392.1393.
.1394.1395.1396.1397.1398.1399.
.1400.1401.1402.1403.1404.1405

.....
ALL .OPER.SYST.APPL.APPL.NO/ .
PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....

EDUCATION

.....
(84) How is education paid for ?
(Not exclusive)

NOT PROVIDED	.1406.	.1407.	.1408.	.1409.	.1410.	.1411.
FREE	.1412.	.1413.	.1414.	.1415.	.1416.	.1417.
CREDIT WITH LICENSE	.1418.	.1419.	.1420.	.1421.	.1422.	.1423.
TRAINING FEE	.1424.	.1425.	.1426.	.1427.	.1428.	.1429.

.....
(85) Are education discounts available ?

	YES	.1430.	.1431.	.1432.	.1433.	.1434.	.1435.
GO TO Q87	NO	.1436.	.1437.	.1438.	.1439.	.1440.	.1441.
GO TO Q87	DON'T KNOW	.	.	.	.	.	.

.....
(86) Describe the educational discounts ?

.....
MARKETING (Not Optional)

.....
(87) How are your products marketed ?
(Not exclusive)

ADVERTISING	.1442.	.1443.	.1444.	.1445.	.1446.	.1447.
TELEPHONE	.1448.	.1449.	.1450.	.1451.	.1452.	.1453.
SALES PEOPLE	.1454.	.1455.	.1456.	.1457.	.1458.	.1459.
SEMINARS	.1460.	.1461.	.1462.	.1463.	.1464.	.1465.
OTHER	.1466.	.1467.	.1468.	.1469.	.1470.	.1471.

```
.ALL .OPER.SYST.APPL.APPL.NO/ .
.PROD.SYST.SUPP.SUPP.PKGE.NONE.
```

MARKETING

(88) Do the sales people market anything other than your software?

YES

NO

DON'T KNOW

.1472.1473.1474.1475.1476.1477

.1478.1479.1480.1481.1482.1483

.1484.1485.1486.1487.1488.1489

(89) Please explain what your sales people market other than your software ?

GENERAL

(90) How do you in general determine what you charge for the software you market ?

(91) Do you use an approach of marking up costs?
Please discuss.

(92) Do you price on a "value" basis, that is what the market will bear?
Please discuss.

```
.....ALL .OPER.SYST.APPL.APPL.NO/ .
.....PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....
```

GENERAL

(93) Could you supply copies of your software price lists for unbundled software ?
--	---	---	---	---	---	---

SYSTEMS SOFTWARE	.	.	.	.	.	.	.

.1490.1491.1492.1493.1494.1495

.1496 .1497 .1498 .1499 .1500 .1501

APPLICATIONS SOFTWARE	.1496.1497.1498.1499.1500.1501.

1502 1503 1504 1505 1506 1507

1508 1509 1510 1511 1512 1513

(94) Could you supply copies of typical software product descriptions ?
---	---	---	---	---	---

1514 1515 1516 1517 1518 1519

1520 1521 1522 1523 1524 1525

(95) Could you supply copies of your license agreements ?
---	---	---	---	---	---	---

.1526.1527.1528.1529.1530.1531

.1532.1533.1534.1535.1536.1537

(95) Could you supply copies of your discount schedules ?
---	---	---	---	---	---	---

.1538.1539.1540.1541.1542.1543

.1544.1545.1546.1547.1548.1549

(96) Will the discount schedules describe the following ?

BUNDLED SOFTWARE ? YES/NO

OEM Discounts ? YES/NO

and unit volume ? YES/NO

.....
ALL .OPER.SYST.APPL.APPL.NO/ .
PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....

GENERAL

.....
THANK YOU FOR YOUR COOPERATION
IN ANSWERING OUR QUESTIONS.
.....

.....
VENDOR IDENTIFICATION
.....

.....

.....

INDEX

INDEX

	<u>Page</u>
Companies interviewed	3
Documentation promised	5
Education	
charges	51-52
types offered	51-52
Installation	
acceptance	35-36
documentation	35-36
package modifications	35-36
service	35-36
warranty requirements	35-36
Licensing	
discounts and financial incentives	21-22
licensing focus	23,24-25
paid-up and one-time charge conditions	16-17
purchase credits	18-19
types offered, generally	12
types offered, by company	13-15
Maintenance	
definition	41-42
distribution and application of fixer	44,45,46-47
hardware maintenance as prerequisite	41-42
minimum term	41-42
multilicense maintenance	48-49
old releases	46-47
on-site maintenance prices	48-49
response time	46-47
Maintenance Charges	
amounts	41-42
approach, by method of payment	39-40
payment types	39-40
separate charges	38
Marketing	
joint marketing	54-55
methods	54-55
pricing methodologies	56-57
Questionnaire	59

	<u>Page</u>
Redistribution	
licensing arrangements	32-33
new code requirement	32-33
policies	32-33
terms and conditions	32-33
Software Products	
differences in terms and conditions (generally)	8-10
product types offered, by company	8-10
separate software licenses	8-10
software licensed with hardware	8-10
Source Code	
delivery	30-31
protection	30-31
Upgrades/Enhancements	
charges, by company	27-28
summary	26



